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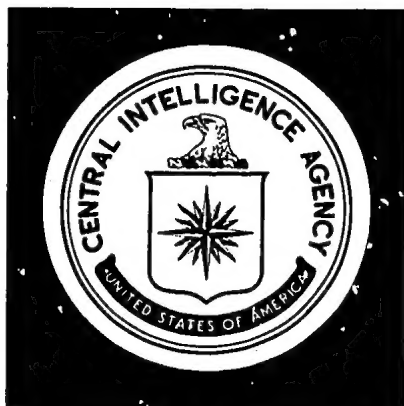
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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

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Opium in Pakistan

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
May 1972

INTELLIGENCE MEMORANDUM

OPIUM IN PAKISTAN

Summary and Conclusions

1. Illicit opium production in Pakistan* ranges between 20 and 160 metric tons annually. Licit opium production in 1971, as reported by Islamabad to the United Nations, was only about 12 tons. Opium poppy cultivation takes place in the Northwest Frontier Province. Licit production is confined to settled areas of the province while illicit cultivation is scattered in both the settled areas and in tribal areas outside of Islamabad's control. Pakistan does not export licit opium; a small amount is used in the domestic pharmaceutical industry, but most is consumed by domestic opium eaters. Some of the illicit production also is consumed locally but most is probably sold in Iran.

2. Islamabad has expressed interest in cooperating with the United States in ending opium production and traffic, but this interest is unlikely to be translated soon into effective action. The Bhutto administration is reluctant to antagonize the tribal peoples who dominate illicit opium production and trafficking. In any event, with Islamabad preoccupied in rebuilding popular support after the war with India and with local opium consumption small, Pakistani officials are likely to give the opium issue little priority.

* Production data in this memorandum relate to West Pakistan only. Licit opium production was not permitted in East Pakistan (now Bangladesh) and illicit production probably was negligible. The official data on registered addicts and licit consumption, however, refer to both East and West Pakistan combined, and cannot be disaggregated between the two Wings.

Note: This memorandum was prepared by the Office of Economic Research and coordinated within the Directorate of Intelligence and with the Bureau of Narcotics and Dangerous Drugs.

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Discussion

Location and Cultivation

3. Both licit and illicit opium poppies are cultivated almost exclusively in the Northwest Frontier Province (NWFP). Licit opium production under government supervision takes place in the settled areas of Mardan, Hazara, and Peshawar Districts (see the map). Illicit production is scattered throughout the NWFP, with some produced along with licit opium and the remainder in the remote tribal areas. The most productive regions in the settled areas have ample controlled irrigation, largely by canal, while other growing areas must depend on erratic rainfall.



Opium Poppy Field in Mardan District

4. Farmers normally grow the opium poppy as a secondary crop. They usually devote a fraction of a hectare to poppy, although plots as large as 2 or 3 hectares have been observed. In some areas, poppy is interspersed with grain, which has a longer growing season and is planted earlier and harvested later than opium. Thus the same labor can be applied to both crops. Opium harvesting is highly labor-intensive; each pod must be scored or scraped several times during the short harvesting season. Poppy is normally planted in December and harvested in April or May. Leaves usually appear in February, and the poppy blooms in April. Poppy color varies from shades of white to purple, with deeper shades at higher altitudes. The green pods are scored for the opium latex when the petals fall, and seeds are collected after the poppies dry.

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5. Licit opium output increased rapidly during the early 1950s, reflecting Islamabad's efforts to become self-sufficient (see Table 1). Until British India's partition, the area that is now Pakistan was largely dependent on other parts of the subcontinent for its opium supply. Pakistan discontinued licit opium imports from India in 1960. Sharp annual variations in official licit production during the 1960s – from a high of 17.4 tons in 1964 to a low of 1.3 tons in 1967 – were likely due to changes in licit stocks and in the quantities diverted to illicit channels. The large output increase in 1969 was due mainly to the inclusion of some production from tribal areas not previously recorded as licit.

Table 1

Pakistan: Licit Opium Production

<u>Year</u>	<u>Metric Tons</u>	<u>Year</u>	<u>Metric Tons</u>
1950	0.3	1961	11.0
1951	0.6	1962	8.2
1952	0.2	1963	9.4
1953	3.2	1964	17.4
1954	4.6	1965	3.9
1955	2.5	1966	1.9
1956	6.8	1967	1.3
1957	5.3	1968	1.4
1958	5.6	1969	7.8
1959	5.1	1970 a/	9.4
1960	6.1	1971 a/	12.3

a. Preliminary

6. Islamabad has reported yields in the period 1965-71 averaging only about 8 kilograms per hectare (see Table 2), compared with average Indian yields of about 25 kilograms per hectare. The sharp drop in yields after 1964 probably was because of illicit diversions and a shift of better land to other crops, particularly sugar cane and tobacco, which apparently are more profitable than licit opium and showed significant production increases during that period.

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Table 2

**Pakistan: Area Planted to Licit Poppy
and Opium Yields**

<u>Year</u>	<u>Hectares</u>	<u>Kilograms per Hectare</u>
1964	688	25.3
1965	339	11.6
1966	340	5.6
1967	332	4.1
1968	332	4.3
1969	1,156	6.7
1970 a/	1,000	9.4
1971 a/	1,200	10.3

a. Preliminary.

7. Estimates of illicit opium output are highly conjectural. Reliable information is not available on illicit output in either the settled or tribal areas. A rough production range, however, can be derived from Pakistani and Iranian consumption estimates. About 10 tons of illicit opium probably are consumed in Pakistan, an amount roughly equivalent to licit consumption. In addition, Pakistan probably supplies at least one-tenth and perhaps as much as one-half of the opium smuggled into Iran, estimated to range from 100 to 300 tons annually. Thus Pakistan's annual illicit opium output likely ranges between 20 and 160 tons.

Licit System

8. Licensed farmers -- reportedly about 11,000 in 1969 -- are required by law to sell their entire opium latex harvest to the provincial government. It pays about \$8* per kilogram, making the licit opium crop worth about \$100,000 in 1971, or roughly \$80 per hectare, more than three times the per hectare receipts from wheat. The government also purchases poppy seeds and incised poppy heads; the latter are sold for use in broth and tea.

* Dollar values reflect conversion at the black market rate of 12 rupees per dollar, which is more relevant to domestic transactions than the official rate of 4.76 rupees per dollar.

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9. The government processes the opium latex to a uniform strength and consistency at the Opium and Alkaloid Factory in Lahore. The crude opium is kneaded and sun-dried in large flat pans until the opium is dark brown and the moisture content has been reduced to 10%. The opium then has a wax-like appearance and is molded into square cakes, stamped, and wrapped in oil paper.

25X1

India's licit opium contains about 10% morphine. According to provincial officials, the factory at Lahore tries to maintain an opium stock level of about 11 tons.

10. There are about 300 licensed opium vendors in Pakistan, mainly druggists, who purchase opium from the government at about \$18 per kilogram and are authorized to sell it to registered addicts. The government ceased registering new addicts about ten years ago and announced that dosages for existing addicts would be reduced 10% annually. According to official data, however, licit sales since 1961 have declined by only about 20% (see Table 3). The licit consumption data suggest an estimated user

Table 3

Pakistan:
Licit Opium Consumption

<u>Year</u>	<u>Metric Tons</u>
1957	14.3
1958	11.8
1959	9.6
1960	13.0
1961	8.2
1962	8.2
1963	7.5
1964	8.0
1965	7.0
1966	7.0
1967	6.5
1968	5.5
1969	7.5
1970 a/	6.8
1971 a/	6.7

a. Preliminary.

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and addict population of less than 20,000 in 1971, assuming that each consumer takes one gram of opium daily. The actual user and addict population is probably much larger, but its size is unknown.

11. [] a registered addict pays about \$2 per tola (11.66 grams), a price fixed by the government and the equivalent of some \$170 per kilogram. The black market price, however, is only about \$1 per tola. Consequently, licensed as well as unlicensed vendors generally sell at the black market price, but nevertheless make a substantial profit.

25X1

12. Pakistan neither exports nor imports licit opium. About 1.8 tons of codeine and 86 kilograms of morphine were imported in 1969, principally from West Germany and the United Kingdom. These imports were for medicinal and other licit uses in both East and West Pakistan.

Illicit Traffic

13. Pushtu-speaking tribesmen along the Afghanistan border -- particularly the Afridis -- play a major role in illicit opium traffic in Pakistan. They reportedly purchase opium from both licensed and unlicensed farmers at prices up to three or four times the government's licit price. Some opium is sold in tribal bazaars in unprocessed and sometimes adulterated form. The bazaars carry opium produced in Afghanistan as well as Pakistan at about \$35 per kilogram. There are no indications that opium is processed illegally in Pakistan into heroin, morphine base, or other opium derivatives.

14. Most opium smuggled out of Pakistan likely transits Afghanistan for Iran. Pakistan and Afghanistan share a 900-kilometer border with only three customs posts, and the tribal areas of Pakistan are a de facto free trade zone. Opium trafficking is prohibited in Afghanistan, but there is little enforcement of existing laws. There is no information about opium seizures at the Afghan border, but apparently they have been quite small. About half of the approximately 500 kilograms of opium seized annually by Pakistani authorities in recent years were picked up in the Peshawar area, reportedly in transit for Karachi or India. Indian authorities have seized only small quantities of opium smuggled from Pakistan, however, and there have been virtually no seizures of opium in Karachi in recent years. Many hashish seizures at Karachi's port, however, suggest that the potential exists for a smuggling channel for opium.

15. Trucks are probably the major carriers of illicit opium in Pakistan, but camel and mule trains, buses, and automobiles also are used. Tribal

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smugglers make payments to customs, revenue, and police officials to ease their path. There is no evidence that any large or sophisticated drug rings are currently involved in the opium traffic, but international hashish traffickers are known to have contacts in Pakistan.

Government Control

16. Narcotics control is under the jurisdiction of the Central Board of Revenue, Ministry of Finance. The Office of Central Excise and Land Customs in Lahore is the main operating arm of the Board and administers licensing of opium farmers and vendors. About 100 men from this office reportedly are in the field to oversee poppy growing and latex collection and to weigh the opium when farmers deliver it to field stations.

17. The Excise Office has its own intelligence system and is empowered to enforce narcotics laws, but in practice it often calls on local police for assistance. Border police, postal authorities, revenue officials, and sea customs personnel all are supposed to prevent unauthorized export or import of narcotics. The narcotics control laws do not extend to the tribal areas. Where the laws do apply, the penalties for illegal possession or sale of opium are relatively mild - a maximum of 2 years in prison, a fine of up to \$168, or both. Most officials, moreover, have neither the resources nor the inclination to carry out an effective enforcement program, and effective coordination among the organizations is rare.

18. Despite its title, the Pakistan Narcotics Control Board, also under the Central Board of Revenue in Islamabad, has no enforcement authority. It advises policymakers, compiles narcotics data obtained at local levels, and represents Pakistan at international meetings. Pakistan is a member of INTERPOL and benefits from its narcotics intelligence.

Potential for Ending Production

19. In October 1971, under the Yahya Khan administration, Pakistan joined Iran and Turkey in an effort to promote cooperation in suppressing illicit drug traffic; Afghanistan has not yet accepted an invitation to join. The Yahya Khan government also began bilateral discussions with Iran and cooperation with INTERPOL on narcotics matters.

20. The Bhutto government has expressed its willingness to cooperate with the United States in reducing opium output and traffic in Pakistan. It currently is considering forming a high-level interagency narcotics committee which would coordinate bilateral activities with the US Embassy. The Minister of Finance has agreed that the timetable for ending poppy cultivation for the benefit of registered addicts could be advanced from

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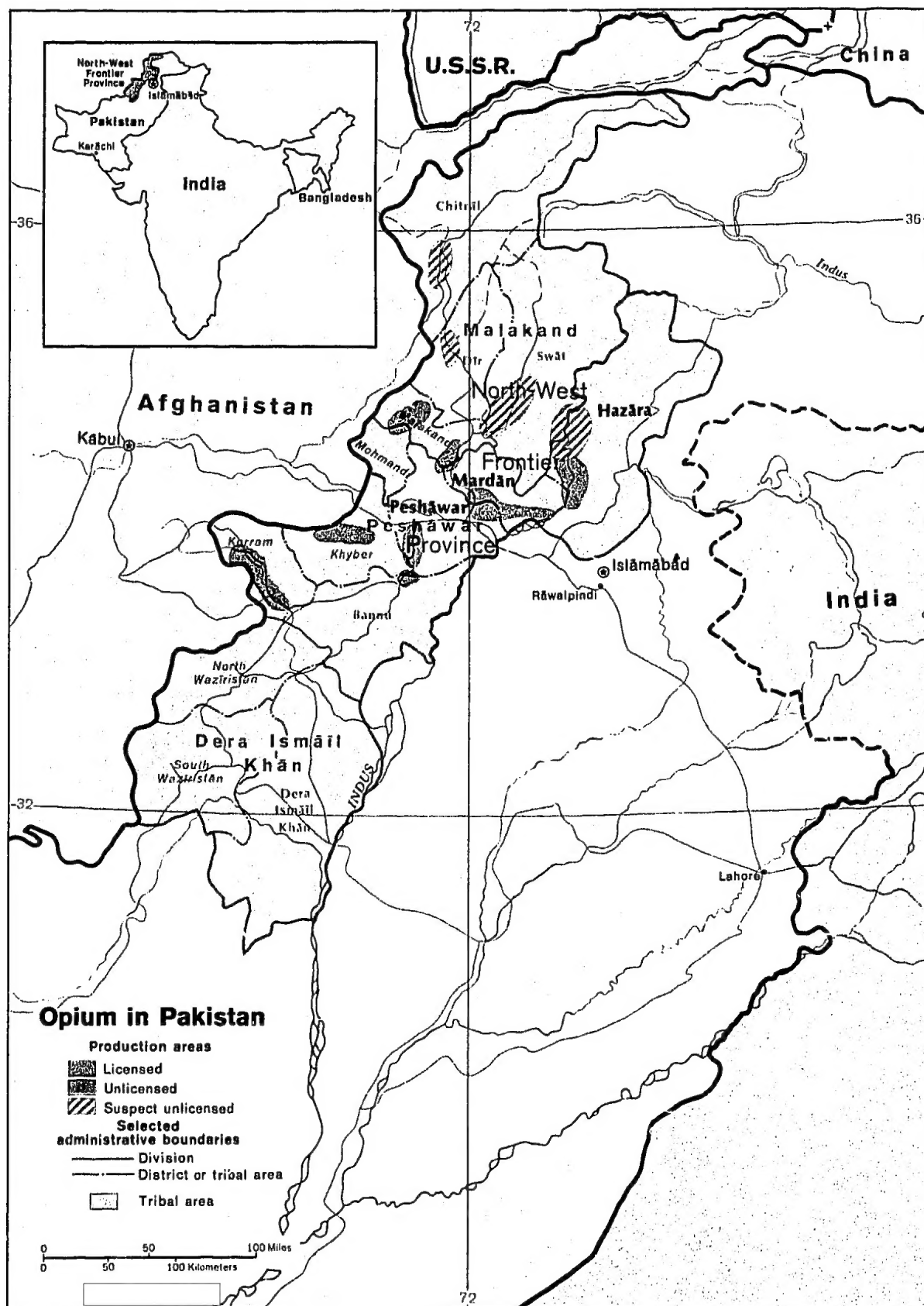
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the previous commitment of 1979 to perhaps 1974, and volunteered that crop substitution and other incentive programs for poppy growers could be made part of economic plans now being devised.

21. Ending licit production can be accomplished with the stroke of a pen in Islamabad, but ending illicit output, especially in the tribal areas, is a much more difficult goal. The Bhutto administration will be reluctant to risk antagonizing the tribal peoples with an opium eradication plan. The tribal peoples have frowned on any government intervention in their affairs.

22. Another obstacle to combating the opium problem is the low priority it is likely to receive. The government is preoccupied with building popular support after the defeat in the December 1971 war with India. But even without the problems stemming from the war, opium would command little attention. Pakistani officials seem convinced that illegal opium production is small, and that opium use is a minor problem confined to older members of the lower classes. Moreover, Pakistani police and customs officials lack the training as well as transportation and communications equipment needed to undertake an enforcement program.

23. The lack of information is another major hindrance to a poppy eradication program. Aerial surveillance would be necessary in the tribal areas to determine the location and scale of opium output. But such observation would be complicated by the rugged terrain, the small plots, and the sharpshooting capabilities of the tribesmen. In the absence of a coordinated effort with Afghanistan, the cessation of opium production in Pakistan would probably be offset by a commensurate increase in Afghanistan's illicit opium output. Kabul's lack of authority in Afghanistan's opium-growing tribal areas rivals Islamabad's impotence in its own tribal areas.



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